

OFFICE OF THE STATE CONTROLLER
TITLE 2. ADMINISTRATION
DIVISION 2. FINANCIAL OPERATIONS
CHAPTER 2. STATE CONTROLLER
SUBCHAPTER 8. UNCLAIMED PROPERTY LAW
ARTICLE 4.7. REASONABLE CAUSE

§1172.90. Reasonable Cause - Defined

(a) If any person fails to report or pay or deliver unclaimed property within the time prescribed by the Unclaimed Property Law (Civil Code of Procedure Section 1500 et seq.), the assessment of interest is mandatory unless there is a showing of "reasonable cause" for the delay.

(b) "Reasonable cause" means the exercise of ordinary business care and prudence. The following specific causes for failure to report or pay or deliver unclaimed property within the time prescribed by law will be accepted as reasonable

(1) Where in the absence of willful neglect, the failure was due to circumstances beyond the holder's control.

(2) Where the delay or failure to file was due to erroneous information given to the holder of unclaimed property by an employee of the Controller's Office.

(c) Generally, the failure to timely report or pay or deliver unclaimed property is not excused by reliance on an agent and such reliance is not reasonable cause for late reporting, payment or delivery.

Note: Authority cited: Section 1580, Civil Code of Procedure. Reference: Section 1577, Civil Code of Procedure.

§1172.92. Burden of Proof

(a) The holder of unclaimed property has the burden of proving reasonable cause.

(b) The holder of unclaimed property shall set forth any claim of reasonable cause for a delinquent reporting, payment or delivery in an affidavit or declaration under penalty of perjury.

Note: Authority cited: Section 1580, Civil Code of Procedure. Reference: Section 1577, Civil Code of Procedure.